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BEFORE THE
ILLINOIS COMMERCE COMMISSION

ILLINOIS COMMERCE COMMISSION) DOCKET NO.
On Its Own Motion) 06-0563
)
)
)
Implementation of Section 8-306(I))
of the Public Utilities Act.)

Springfield, Illinois
September 28, 2006

Met, pursuant to notice, at 10:00 a.m.

BEFORE:

MR. LARRY JONES, Administrative Law Judge

APPEARANCES:

MR. MICHAEL LANNON
MR. MICHAEL R. BOROVIK
Office of General Counsel
160 North LaSalle Street, Suite C-800
Chicago, Illinois 60601

(Appearing on behalf of Staff of
the Illinois Commerce Commission
via teleconference)

SULLIVAN REPORTING COMPANY, by
Carla J. Boehl, Reporter
Ln. #084-002710

1		<u>I N D E X</u>			
2					
3	<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
4	None .				
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13		<u>EXHIBITS</u>			
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15				<u>MARKED</u>	<u>ADMITTED</u>
16	None .				
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6 At this time we will ask the parties
7 to enter your respective appearances orally for the
8 record. Why don't we start with the Commerce
9 Commission Staff?

5 JUDGE JONES: Could you give us your business
6 phone number, please?

8 JUDGE JONES: Thank you. Other appearances?

1 JUDGE JONES: Are you an attorney licensed to
2 practice in Illinois?

3 MS. SULLIVAN: Yes, I am.

4 JUDGE JONES: Are you also an employee of the
5 company, of the water company?

6 MS. SULLIVAN: Yes, I am.

7 JUDGE JONES: Thank you. Other appearances?

8 MS. MUNSCHE: Kristin Munsch appearing by Rule
9 711 on behalf the People of the State, M-U-N-S-C-H,
10 100 West Randolph Street, Chicago, Illinois 60601 and
11 my business phone is (312) 841-8412.

12 MR. NICKERSON: Mel Nickerson appearing on
13 behalf of the Citizens Utility Board, 208 South
14 LaSalle, Suite 1760, Chicago, Illinois 60604.
15 Business telephone number is (312) 263-4282.

16 JUDGE JONES: And are you an attorney licensed
17 to practice in the state of Illinois?

18 MR. NICKERSON: Yes, I am.

19 JUDGE JONES: Thank you. Are there other
20 appearances to be entered at this time? Let the
21 record show there are not, at least for now.

22 This is a prehearing conference in

1 this matter. One of the obvious subjects would be
2 scheduling in this case. Do one or more of the
3 parties have proposed schedules that you are prepared
4 to identify and potentially offer this morning?

5 MR. LANNON: Staff does, Your Honor.

6 JUDGE JONES: I should have mentioned this
7 before. Anybody that's speaking on the phone, please
8 identify yourself before you do so, so that our court
9 reporter will attribute your comments to you.

10 MR. LANNON: Thank you, Your Honor. Mike
11 Lannon. Staff does have a proposed schedule to share
12 with the parties.

13 JUDGE JONES: All right. Thank you. Has that
14 schedule been circulated to one or more of the
15 parties so far?

16 MR. LANNON: Unfortunately -- Mike Lannon
17 again. Unfortunately, I did not circulate that to
18 parties beforehand.

19 JUDGE JONES: All right. But you have copies
20 there at this time for them to see?

21 MR. LANNON: I believe -- this is Mike Lannon
22 again -- I believe Mr. Smith is in the hearing room

1 and he has a copy to share with you and anyone else
2 in the hearing room, Your Honor.

3 JUDGE JONES: Uh-huh. So you were just
4 planning to read what you have to the parties that
5 are on the phone in some manner; was that your
6 intent?

7 MR. LANNON: That was my intent, Your Honor.

8 JUDGE JONES: Did you want a few moments off
9 the record for an opportunity to do that?

10 MR. LANNON: Yes, Your Honor. That may be
11 best.

12 JUDGE JONES: All right. At this time let the
13 record show we hereby go off the record for the
14 purposes just indicated, primarily to provide parties
15 an opportunity to discuss scheduling, including but
16 not limited to a scheduling proposal just mentioned
17 by Mr. Lannon of the Commission Staff.

18 All right. We are off the record at
19 this point.

20 (Whereupon there was then had an
21 off-the-record discussion.)

22 JUDGE JONES: Back on the record. Let the

1 record show there was an off-the-record discussion
2 for the purposes indicated. It was noted before we
3 went off the record that scheduling would be one of
4 the primary topics.

5 I believe what happened was that the
6 Commission Staff circulated a draft schedule to the
7 other parties in some manner. At that point then
8 Staff and the parties went over that on an
9 off-the-record basis and made some changes or
10 clarifications to it. And it is my understanding,
11 and the parties should feel free to correct me if I
12 am wrong, that the Staff is ready to offer a revised
13 version of that schedule into the record at this
14 time.

15 Is that right, Mr. Lannon?

16 MR. LANNON: That's correct, Your Honor.

17 JUDGE JONES: So before we proceed with that
18 through Mr. Lannon, does anybody have anything else
19 you would like to address on a prehearing basis
20 before we hear what that schedule is? All right.
21 Let the record show no response.

22 Mr. Lannon, would you care to read

1 into the record what you believe to be the schedule
2 that's being offered?

3 MR. LANNON: Yes, thank you, Your Honor.

4 December 5 the parties would file
5 briefs or comments on the interpretation of the
6 requirements of P.A. 94-0950 which added Section
7 8-306 to the Public Utilities Act and the suggested
8 rules to implement that PUA amendment.

9 On February 1 Staff will file
10 testimony with a proposed rule attached.

11 On March 15 Companies and Intervenors
12 would file testimony.

13 On May 3 Staff files rebuttal
14 testimony along with a revised proposed rule, if
15 necessary.

16 On May 8 a status hearing at 10:00
17 a.m.

18 We have a tentative evidentiary
19 hearing scheduled for May 22 dependent upon whether
20 the parties and the ALJ decide there is the need for
21 another round of testimony at the May 8 status
22 hearing.

1 JUDGE JONES: Thank you. We will hear from
2 other parties in just a minute. A couple of
3 questions.

4 That first date that comes up,
5 December 5, there is reference there to suggested
6 rules. What's intended by that item?

7 MR. LANNON: If the parties and Staff would --
8 Staff will be proposing a rule to implement the
9 amendment to the PUA, and the other parties, of
10 course, are free to offer any suggestions or
11 proposals on their ideas of what such a rule should
12 be and contain and any other comments they may have
13 on it.

14 JUDGE JONES: In any event, Staff will follow
15 that up with what you refer to as a proposed rule on
16 February 1 then, is that correct?

17 MR. LANNON: That's correct, Your Honor.

18 JUDGE JONES: And is it anticipated that these
19 various filing dates would be dates on which copies
20 of those filings, whatever form they may take, will
21 be served on other parties electronically?

22 MR. LANNON: Yes, Your Honor. And Staff will

1 for its part serve its briefs or testimony to all the
2 parties via e-mail and will also file on e-Docket.

3 JUDGE JONES: Thank you. Will copies of those
4 filings be served electronically on each other and on
5 me?

6 MR. LANNON: That's correct, Your Honor.

7 JUDGE JONES: And then the May status is 10:00
8 a.m., correct?

9 MR. LANNON: Yes, Your Honor. If that's okay
10 with you, that's fine with the parties.

11 JUDGE JONES: All right. Thank you for reading
12 that proposed schedule into the record with the
13 various clarifications.

14 At this time we will see if any other
15 parties have any objections to what you are
16 proposing. Do any of the other parties have any
17 objections or points of clarification with regard to
18 the schedule that Mr. Lannon just read into the
19 record? Let the record show there are no responses
20 stating any objections to that schedule.

21 Let the record show that schedule as
22 read into the record by Mr. Lannon already containing

1 various revisions and clarifications is hereby
2 adopted for purposes of this proceeding. It is noted
3 there is some flexibility in the back end of the
4 schedule that was read into the record depending on
5 what transpires at that May 8 status. But in any
6 event, the schedule as read into the record is hereby
7 put into place.

8 I would note that the May status is
9 one at which the parties are permitted to participate
10 by telephone. Along that line, our thanks to
11 Illinois-American Water Company for providing the
12 call-in number for today's prehearing conference.

13 I would just note that to the extent
14 it appears to me that an additional status hearing
15 would be needed at some point prior to May 8, I will
16 reserve the right to add one if I think it is
17 necessary to do so. But for now I will defer to the
18 preference of the parties which would, as noted, call
19 for a status on a May 8, if not sooner.

20 Any other questions regarding the
21 schedule? Let the record show there are not.

22 A couple other preliminary things,

1 there have been some petitions for leave to intervene
2 filed. We will take those up right now. And if
3 there are no objections to any of them, they will be
4 granted. That is, leave will be granted to intervene
5 to the filers.

6 It appears there was a petition for
7 leave to intervene filed by Illinois-American Water
8 Company. Any objections to granting
9 Illinois-American Water Company leave to intervene?

10 MR. LANNON: This is Mike Lannon. None from
11 Staff, Your Honor.

12 JUDGE JONES: Anyone else? Let the record show
13 no response. Petitioners leave to intervene of
14 Illinois-American Water Company filed August 29,
15 2006, is granted.

16 There is also a verified petition to
17 intervene filed by Citizens Utility Board, filed by
18 Mr. Nickerson who also is appearing here today. Are
19 there any objections to that motion for leave to
20 intervene?

21 MR. LANNON: Again Mike Lannon. None from
22 Staff, Your Honor.

1 JUDGE JONES: Okay, thank you. At this time
2 let the record show that the petition for leave to
3 intervene filed by the Citizens Utility Board is
4 granted.

5 And there was also filed a petition of
6 the People of the State of Illinois for leave to
7 intervene filed by Ms. Janice Dale and also by
8 Ms. Munsch who has entered an appearance here this
9 morning, pursuant to Supreme Court Rule 711. Are
10 there any objections to that petition for leave to
11 intervene?

12 MR. LANNON: Again, Your Honor, Mike Lannon
13 here, no objection from Staff.

14 JUDGE JONES: Thank you. Anyone else? Let the
15 record show that the petition of the People of the
16 State of Illinois for leave to intervene is granted.

17 I think that may do it for this
18 morning's purposes but let me make sure. Does
19 anybody else have any matters that you want to take
20 up this morning on or off the record before we
21 conclude this prehearing conference? All right. Let
22 the record show there are no other such matters.

1 At this time let the record show this
2 prehearing conference is over. Thanks to the parties
3 for your participation this morning. At this time
4 let the record show that pursuant to that schedule
5 this matter for prehearing purposes is continued to a
6 status hearing on May 8 at 10:00 a.m. which will be
7 available for any scheduling matters or other
8 prehearing conference purposes, with participation by
9 telephone permitted.

10 (Whereupon the hearing in this
11 matter was continued until May
12 8, 2007, at 10:00 a.m. in
13 Springfield, Illinois.)

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